

BILL BRIEF

HB 1131 – Solid Waste Management

Key provisions

- Requires producers of certain covered products paper and plastic packaging for items sold for business, not
 commercial purpose to register with Ecology, and fund the operations of a producer responsibility
 organization (PRO). The PRO is a non-profit that will collect and manage covered products.
- Makes changes to minimum post-consumer recycled content requirements.
- Provides for producers of certain beverage containers to establish a deposit return system.

Background

Packaging and paper products are 38 percent of all residential waste. Less than half of all packaging and paper waste generated by residents is recycled, and the rate of recycling has been on a declining trend since 2011. [Source: Eunomia, December 2021]

In 2019, the Washington Legislature passed the Plastic Packaging Evaluation and Assessment law (Chapter 70A.520 RCW). The law directed the Washington State Department of Ecology (Ecology) to hire an independent third-party consultant team to study how plastic packaging is managed in Washington and assess various policy options to meet the goals of reducing plastic packaging waste. The law also directed the assessment to include industry initiative or plastic packaging product stewardship, or both.

The consultant the state hired recommended an extended producer responsibility (EPR) program, deposit return system for all beverage containers, and recycled content requirements for all plastic packaging. [Source: Cascadia/Eunomia, September 2020].

In 2021, the Legislature established minimum post-consumer recycled content (PCRC) requirements applicable to three main categories of plastic products or products in plastic containers: trash bags, household and personal care product containers, and plastic beverage containers.

What this legislation does

Beginning July 15, 2024, each producer of covered products must
join and pay a fee to a non-profit PRO. Covered products means packaging and paper products sold or supplied
to consumers for personal, noncommercial use. The producer of a given covered product could be the retailer,
manufacturer, or e-commerce platform.

Key messages

WA ranks #10 in recycling rate for common containers and packaging (#15 if cardboard excluded). WA residents generate the least waste per capita.

The costs of this bill to consumers, businesses and taxpayers are unknown. The fees paid by producers are determined after the bill passes. Costs to administer are unknown — a workload analysis for Ecology is to be done after the bill passes.

The environmental benefit of this bill is unknown. The actual increase in recycling to be achieved is unknown. The greenhouse gas impact of additional collection and recycling are unknown — provisions in the bill to assess greenhouse gases were stricken.

The bill contains too many subjects — violating the State Constitution's single subject rule.

- The PRO must file a plan and implement it. The plan must include activities to make convenient collection services available for covered products, include public education, etc. (See Sections 103 and 107.)
- Expands the scope of products subject to PCRC and changes compliance logistics for producers in a PRO.
 - Newly covered will be plastic tubs, single-use plastic cups, thermoform plastic containers, nonprescription drugs and cannabis products.
- Establishes a deposit return system for beverage containers. Details are TBD (forthcoming amendment).

Reasons to support

- Washington recycling rates are stagnant. EPR for packaging and paper products is used in Europe and Canada, and recycling rates are higher than in Washington. Recently, EPR policies were passed in Maine and Oregon.
- Outside of the Puget Sound many households do not have curbside recycling [Eunomia, December 2021, p. 11].
- Proponents will say that under the EPR model, Washington households are provided curbside recycling services
 at no cost wherever curbside garbage service is available. This expands recycling service to an additional 360,000
 households currently without access to service and to an estimated 181,000 households which have the option
 for recycling service but do not subscribe. Furthermore, curbside collection service is complemented by a
 statewide system of convenient drop-off locations for collection of additional materials. [Source: Eunomia,
 December 2021].

Reasons to oppose

- The bill violates the single-subject rule. The State Constitution, Article II, Section 19, requires that a bill have one subject. This bill is "log-rolling" attaching a popular measure to an unpopular one to ensure passage of the unpopular measure. *Garfield County Transp. Authority v. State*, 196 Wash.2d 378 (2020).
- The environmental benefit is uncertain. There is no information about how much additional material will be collected or recycled by this new management system, or the environmental impact and greenhouse gas emissions associated with the vehicle miles driven to collect and transfer this waste to facilities. The paid consultant estimated the environmental benefits of an idealized system, not the one created by this legislation and the rules Ecology will adopt to govern the program.
 - Section 105 of this bill now calls for a third-party consultant to do a "performance rate study" to recommend the rate of recycling that is achievable and feasible, to do a "statewide needs assessment" that will evaluate our state capacity to actually recycle the covered products collected (the availability and performance of collection, transport and processing capacity and infrastructure for both covered products and compostable covered products), and to compile information on actual costs incurred to government entities. Many stakeholders have said these studies should be done prior to the passage of legislation.
- The cost is unknown; this legislation will contribute to inflation. The fees assessed to producers and the
 number of producers will not be known until all producers register and Ecology does the rulemaking for how the
 PRO must equitably assess fees so that no material type is subsidizing the collection of another material type.
 The cost of Ecology to implement, administer and enforce its duties under this load are unknown Ecology is
 directed to prepare a workload analysis to identify those annual costs in Section 104(2) of the bill.

Fiscal information

- Local government impact is indeterminate. The fiscal note projects: "Revenue increase from reimbursement on eligible activities, revenue decrease from sale of residential recyclables, decrease in operational and administrative costs."
- State fiscal impact: \$4.1M and 11.2 FTEs for 2023-25, \$2.7M and 8.4 FTEs for 2025-27.

Stakeholders

- Pro: 1521; Con: 54; Other: 22.
- Pro: Zero Waste Washington, WA State Labor Council, WA Education Assn., WA Conservation Action, The Nature Conservancy, Kroger, Environment Washington, AWC.
- Con: Waste Management, WA Refuse & Recycling, and dozens of disposal/sanitation businesses. WA Hospitality.
 WA Food Industry Assn., WA State Veterinary Medical Assn., Foodservice Packaging Institute, Flexible Packaging Assn., Consumer Healthcare Products Assn., Novolex, AWB, Anheuser-Busch, Assn. of Home Appliance Manufacturers, American Forest and Paper Assn., American Coatings Assn., American Chemistry Council.
- Other: WA Retail, WA Brewers Guild, WA Beverage Assn., NW Grocery Assn., Int'l Bottled Water Assn., Glass
 Packaging Institute, Association of Spirits and Wind Distributors, Allied Daily Newspapers of WA, WA Newspaper
 Publishers Assn.

Additional information

- Washington's recycling rate and rank compared to other states varies on the scope of products considered. A recent 50-state assessment had Washington ranked #10 in recycling for common containers, and packaging material (CCPM) at 58% if cardboard packaging was included (#15 if cardboard was excluded). A separate report from the same consultant to the Legislature put our recycling rate for covered products and paper packaging (CPPP) at 48% [Eunomia, Washington Consumer Packaging Study, 1/2023]. Washington is ranked #1 among all states for generating the least waste per capita (we minimize our waste through consumer choices, product design, reducing single-use packaging, etc.) [Eunomia, The 50 States of Recycling, 3/2021].
- Recycling rates vary widely by material type (paper, cardboard, rigid plastics, flexible plastics, glass, metals).

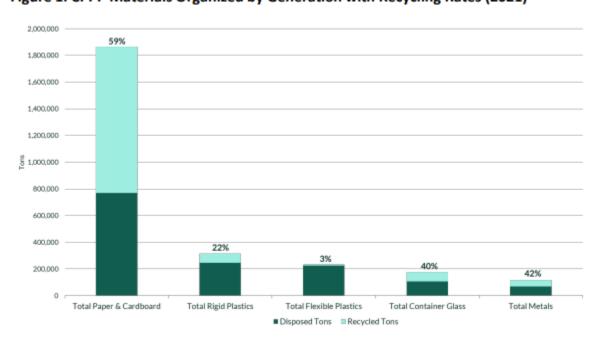


Figure 1: CPPP Materials Organized by Generation with Recycling Rates (2021)

Highest and Lowest per Capita Generation

Packaging generation is directly linked to consumption; the more packaging that is consumed, the more CCPM that is generated. Because significant GHG emissions are generated in the production of packaging and products, the less CCPM that is generated, the greater the GHG benefits. Figure 6 shows the five states with the lowest (on the left) and highest (on the right) per capita material generation rates. The figure shows that Delaware produces over 50% more CCPM per capita than Washington.

FIGURE 6: HIGHEST AND LOWEST PER CAPITA CCPM GENERATING STATES

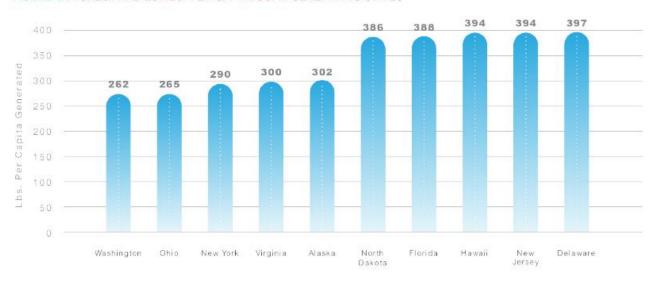
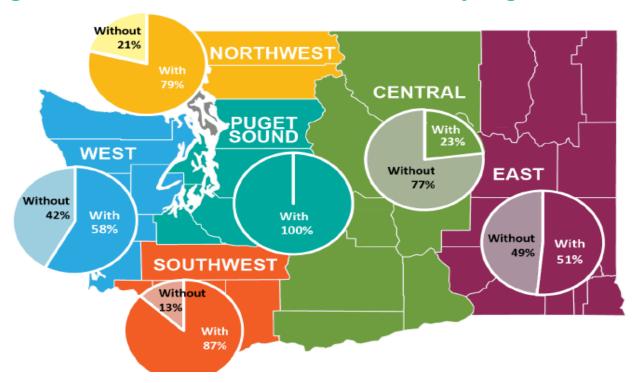
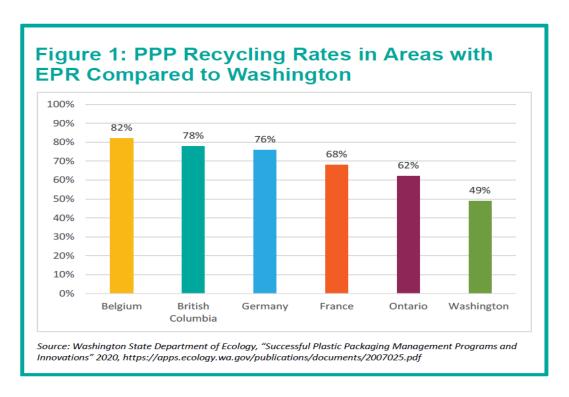


Figure 2: Percent of Households with Curbside Recycling Services



39



Additional information

Media Coverage & Editorials

- "WA lawmakers are weighing a bottle deposit system to boost recycling. It's a bad idea." Opinion Editorial in The Tacoma News Tribune by Brad Lovaas, Executive Director of WA Refuse & Recycling. January 19, 2023.
 - Key Excerpt: There are policies that would improve our system and boost recycling rates in our state. We should conduct a needs assessment first so we can identify places for improvement that fit Washington. For example, a robust needs assessment would identify strategies necessary to ensure effective curbside options for problematic materials, like glass in the waste stream. That could bring more convenient options back to a city like Tacoma that has not been collecting glass recently. Ironically, these bills creating new programs also include a needs assessment at the same time as policy implementation, which is like a doctor writing a prescription while you are still waiting in the lobby for your exam.... Washingtonians want to do the right thing and charging them more for new programs that diminish what is already working sounds like a bad bargain for environmental stewardship.
- "WA trails its neighbors' beverage recycling rates. A bottle bill can change that." Opinion Editorial in The Tacoma News Tribune by Susan Collins, President of Container Recycling Institute. February 1, 2023.
 - Key Excerpt: Decades of data show that bottle bills which enable consumers to return empty bottles and cans to a redemption location and receive back the deposit they paid upon purchase dramatically increase recycling rates. Our analysis at the Container Recycling Institute estimates Washington's current beverage container recycling rate at 28% somewhat higher than the rate in most non-bottle bill states, but not close to the rates in bottle bill jurisdictions. We know Washingtonians want to recycle and improve the environment, but there are simply no system improvements that can significantly move the needle on that number.

Previous Initiatives on Bottle Deposit & Return Systems

- Initiative 61 (1979) This was originally an Initiative to the Legislature and was placed on the ballot when the Legislature took no action on it. It was defeated at the polls 57.6% to 42.4%. The <u>voter's pamphlet</u> is an interesting read (see page 7 for the ballot title, short description, arguments and the text of the initiative establishing the deposit return system on pages 13-14 of the link).
- Initiative 414 (1982) This was an Initiative to the People and occurred in the same year the Legislature imposed sales tax on food to fill a budget deficit caused by the early 1980s recession. It was resoundingly defeated 70.7% to 29.3%. The woter/s.pamphlet read almost identical to the measure in 1979 (see page 5 for the ballot title, short description, arguments and the text of the initiative establishing the deposit return system on pages 9-11 of the link).